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U.S./RUSSIAN NATIONAL SECURITY ISSUES

HEARING

BEFORE THE

MILITARY RESEARCH AND DEVELOPMENT SUBCOMMITTEE

OF THE

COMMITTEE ON NATIONAL SECURITY
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

HEARING HELD
AUGUST 4, 1998

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TUESDAY, AUGUST 4, 1998

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UNITED STATES/RUSSIAN NATIONAL SECURITY ISSUES

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NATIONAL SECURITY,
MILITARY RESEARCH AND DEVELOPMENT SUBCOMMITTEE,
Washington, DC, Tuesday, August 4, 1998.

The subcommittee met, pursuant to call, at 10:10 a.m., in room 2118, Rayburn House Office Building, Hon. Curt Weldon (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. CURT WELDON, A REPRESENTATIVE FROM PENNSYLVANIA, CHAIRMAN, MILITARY RESEARCH AND DEVELOPMENT SUBCOMMITTEE

Mr. WELDON. The subcommittee will come to order. May I ask everyone to be seated so that we can begin the hearings and bring in our witness.

This morning the Military Research and Development Subcommittee meets in open session to receive testimony from Col. Stanislav Lunev, formerly of the GRU. Colonel Lunev has written a book, *Through the Eyes of the Enemy,* which makes some startling allegations about ongoing Russian preparations for war with the United States.

According to Colonel Lunev, Moscow continues to perfect war plans that would assassinate U.S. political and military leaders and sabotage key targets in the United States by using small manportable nuclear weapons. I should note that Colonel Lunev is a protected witness, and so special arrangements have been made at the hearings today to conceal his identity and provide for his physical security. I would ask members of the audience and the press to please cooperate and refrain from photographing Colonel Lunev's face, should, through some mishap, an opportunity for such a photograph accidentally arise.

Also, audience and press, please respect the arrangements for Colonel Lunev's physical security by refraining from attempting to approach or interview Colonel Lunev in this forum.

Finally, because Colonel Lunev is recuperating from an illness, these proceedings may on occasion have to be interrupted to accommodate his needs.

I should also note that sitting in the witness box with Colonel Lunev today is his coauthor, Ira Winkler, who is not himself a witness today. Mr. Winkler has consented to be available to Colonel Lunev to clarify and help him better understand our questions should that be necessary, even though Colonel Lunev speaks English.

Before we proceed to hear from our witness, allow me to provide some background information and make some observations that I

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hope our members and audience may find useful. With that, I would ask staff—good, Colonel Lunev is coming in. Welcome Stan, it is a pleasure to have you here today.

Colonel LUNEV. Thank you.

Mr. WELDON. Why this hearing and why the R&D subcommittee?

Our subcommittee is charged with the responsibility of determining what systems this country should be developing to meet the emerging threats that we see arising around the world. And over the past 4 years, we have gone to extensive lengths to make sure that every one of our subcommittee members is totally versed not just on the systems but on the threats, using every available resource that we can find from the Central Intelligence Agency [CIA] and Defense Intelligence Agency [DIA], from the intelligence agencies of the National Security Agency [NSA] and Department of Energy [DOE]. We have reached out to our direct witnesses from time to time to give us this information. In fact, we have had well over 100 hearings, briefings, and classified sessions with members of this subcommittee on the threats that we see emerging.

It was this subcommittee that first criticized NIE 9519 and said that perhaps the threats—that the assessment by the CIA was overly optimistic. Just 2 weeks ago, we heard the Rumsfeld Commission come out and verify the findings that this subcommittee came to the conclusions of 3 years ago.

It was this subcommittee last year who talked of the need, in a bipartisan way as we always do, to deal with the emerging Iranian threats that they obtained in cooperation with Russia on a medium-range missile. As recently as February 5 of this year, Deputy Secretary of Defense John Hamre wrote to me as chairman of this subcommittee and said, and I quote, in writing, "Don't worry, under the worst case scenario, the Iranian medium-range missile will not surface until mid-1999."

It was this subcommittee, because of our extensive work and understanding of threats, that moved legislation that became law that plussed up funding by $170 million this year to deal with those emerging medium-range missile threats of Iran.

It was this subcommittee who reached out to Gen. Aleksandr Lebed and had him testify on the issue of small atomic demolition munitions when the Russian Government was denying there was a problem, denying they even existed, and criticizing General Lebed during the summer and fall, saying he didn't know what he was talking about and was a traitor.

It was this subcommittee that had academician and scientist Aleksey Yablokov come before us last October and verify the comments of General Lebed about small atomic demolitions. And because of the testimony that Aleksey Yablokov brought before this subcommittee, he was called a traitor in Russia. He was called a violator of the motherland when he went back to Moscow.

But in the end, as has been the case with this subcommittee in every instance, Aleksey Yablokov sued one of the major news outlets in Moscow, Novaya Gazeta, and sued them for slander because they called him a traitor. The first week of July of this year, Aleksey Yablokov sent me a cable. He won his lawsuit, was awarded 30,000 rubles by the court system in Russia, and the newspaper

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that he charged with slander was told to issue a public apology to him by September 9.

But the problem there was this administration was going along with the Russian Government in denying the potential threat of the small atomic demolitions. It was this subcommittee who pursued those allegations and will pursue them again in more detail today.

Our goal here is not to embarrass anyone and it is not to embarrass Russia. As most of you know, we, on this subcommittee, work aggressively to stabilize Russia. We work to make sure that they have a housing mortgage finance system, as I am currently proposing to both the leadership in the Congress and the administration. We have been out front on cooperation in the energy area to help the Russian Parliament pass the production-sharing agreements that they have passed and the law which has allowed for Sakhalin 1, 2, and 3.

We have been working with the Russian Government on economic cooperation to build a more solid economic base. But there are questions that need to be asked, there are facts that need to be dealt with; because, as this administration says most frequently, I would say all is not well all the time in Russia.

In fact, just 2 weeks ago I had some of the saddest news I have ever had from that country, when one of my good friends, who has met with myself and members of this subcommittee on several occasions, chairman of the Duma Defense Committee Lev Rokhlin was assassinated in his home, in his bed on July 3, with a gunshot in his head at point blank range.

And let me say at the outset, Mr. Pickett, myself, and members of this subcommittee, have met with Mr. Rokhlin on several occasions. I have met with him four times. He has been a good friend of mine. Lev Rokhlin was a member of the NASHDOM Party, ("Russia is our home" party) which is Chernomyrdin and Yeltsin's own party. He had become chairman of the Duma Defense Committee representing Chernomyrdin and Yeltsin's party in the Duma.

Last summer, because Lev Rokhlin, one of the most distinguished retired Russian generals, was dissatisfied because Russian soldiers were not being paid their salaries and their pensions, publicly called for the impeachment of Boris Yeltsin; and for that, obviously because he was of Yeltsin's party, was publicly criticized. For 6 months there was an attempt made to remove Lev Rokhlin from his chairmanship of the Duma Defense Committee, our counterpart, and for 6 months he resisted.

To give you some idea of the stature of Lev Rokhlin, he was awarded the highest medal Russia now awards to its soldiers, the Hero of Russia Medal. He refused to accept that medal from Pavel Grachev, who was the Defense Minister at the time, because he thought Pavel Grachev was not an honorable man, so he refused to accept the award from him.

This general, this chairman of the Duma Defense Committee, publicly criticizing Boris Yeltsin and calling for his impeachment because of his lack of support for soldiers, ordinary military personnel, was found dead in his bed. His wife the next day admitted that she killed her husband in a fit of rage. But then the stories started to unfold. Lev Rokhlin's daughter and his son-in-law said that was

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not the case, that three people had, in fact, entered Lev Rokhlin's apartment, had assassinated him, and had told his wife if she did not, in fact, take the responsibility for the assassination, she and her entire family would be killed.

Mysteriously, three bodies were found in the vicinity of Lev Rokhlin's apartment in the days following that assassination. They did not have identification and their bodies were, in fact, burned.

In fact, Lev Rokhlin's lawyer who has worked with him publicly has said that there was an assassination attempt on his life the same night that Lev Rokhlin was assassinated.

When Lev Rokhlin's funeral was held in Moscow following the July 3 assassination, 10,000 Russian people came out in Moscow to pay tribute to him, former chairman of the Duma Defense Committee. Their government maintains that he was killed by his wife to this day, and unfortunately, our government and the agencies I have met with say they have no reason to doubt that.

Over the past weeks I have had meetings with two senior Russian officials who are friends of mine, who will remain anonymous. Each of them in separate sessions has said that there is no doubt in their minds that Lev Rokhlin was assassinated and he was not assassinated by his wife.

This story points up the fact that in dealing with Russia, we need to understand the mindset. We need to understand what is happening. Not to embarrass the country, but to understand that to deal with Russia, to deal with issues of arms control and treaty compliance, to deal with issues of proliferation and economic cooperation, Russia must understand that we are going to be candid and that we are going to be honest.

Col. Stanislav Lunev is the highest ranking GRU officer ever to defect to the United States. The GRU is Russia's premier military intelligence organization that serves the General Staff and is larger than the intelligence organizations of all the United States military services combined.

The GRU elite Special Forces, the SPETSNAZ, will conduct assassinations and sabotage operations behind enemy lines in wartimes through the use of atomic demolition munitions, or ADM's, or SADM's, small atomic demolition munitions. These are small nuclear weapons that can fit into a knapsack or a briefcase or suitcase and are designed to be delivered and detonated by one or two people. Although Colonel Lunev was not himself a member of SPETSNAZ, as a GRU intelligence officer operating in the United States, part of his job was to support Russian military planning for SPETSNAZ nuclear operations against the United States.

Colonel Lunev served the GRU in this capacity, contributing to Russian plans to assassinate President Clinton and other United States military leaders and collecting other intelligence to support Russian war plans, until 1992 when he switched sides. Since 1992, Colonel Lunev has served as consultant on intelligence matters to the FBI and the CIA.

The most significant part of Colonel Lunev's testimony, in my opinion, is his allegation that the Russian military and intelligence services still regard the United States as the enemy. And as this subcommittee knows, we have put into place the 26-page Surikov document, which is an internal Russian advisory document which

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also says that ultimately the United States will be Russia's long-term enemy, considers a war with the United States as likely and even inevitable, and are actively planning for a third world war.

According to Colonel Lunev, so seriously does the Russian military regard the possibility of war with the United States, that nuclear suitcase bombs may already be prepositioned somewhere in the vicinity of Washington or New York. Given the shocking possibility that Russian nuclear suitcase bombs may even now be smuggled into the United States, I hope the administration reverses its neglect of the experimental wide area tracking system [WATS] being developed by Lawrence Livermore National Laboratory. In a hearing before this subcommittee on nuclear terrorism and countermeasures held on October 1, 1997, the WATS system was profiled in the hope of promoting its development. WATS currently offers the only technology under development capable of detecting a nuclear weapon being smuggled into the United States.

Ironically, after the WATS presentation was warmly received by the R&D Subcommittee, the administration cut WATS funding to a subsistence level and reorganized the program in ways deleterious to its development. I cannot understand how the administration, which has often objected to national missile defenses on grounds that nuclear terrorism poses a bigger threat, can then neglect the only technology that offers any hope of defense against nuclear terrorism. What is the justification for keeping America defenseless against both nuclear missiles and nuclear terrorists? I have come to expect inconsistency and wishful thinking, unfortunately, from the administration.

Colonel Lunev's description of the dire threat perceptions of the Russian military and the GRU contrast sharply with the administration's comforting assurances that the United States and Russia are now strategic partners and no longer regard each other as threats. And yet, unfortunately, I am not surprised again.

While I am no longer surprised when the evidence flatly contradicts the President and the benign interpretation of the threats we face, whether those threats are from proliferating nuclear weapons, proliferating missiles or from a still hostile Russian military, perhaps it is because in May 1997, a group of us met with General Lebed in Moscow and were disclosed the facts by him of the existence of these small demolition devices and the fact that as many as 80 were not able to be accounted for.

The Russian Government denied, as I said earlier, the existence of these devices and denied Lebed's accuracy and his capability to even know anything about this until a face-to-face meeting with General Sergeyev, the Defense Minister, in Moscow last year, allowed him to admit directly to my face that they built the devices, they had them, but they would destroy them by the year 2000.

And now we have before us a former GRU officer whose job was to support delivery of nuclear suitcase bombs to the United States, including for the purpose of assassinating our President. So much for the denial of the threat by the Russian Government and by some in our own administration.

Perhaps my skepticism also comes from what I just mentioned as NIE 9519 and the blanket promise that there would be no threat to the United States for 15 years. And now all of a sudden

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we are seeing everyone backpedaling, saying that it is perhaps as soon as 4 to 8 years we will see an emerging long-range threat that we are not prepared to handle. That is two times that we have situations where the facts have not borne out the position.

So our concern is, are we misreading Russia today? Do we fully understand what is happening in Russia? Are we aware that, in fact, the instability in Russia could cause enhanced threats to our country that we need to be prepared for?

Make no mistake about it, the positions of the President and his top policy advisor, Strobe Talbott, on Russia are identical to mine and I would say probably everyone on this subcommittee: to see Russia emerge as a stable, long-term democracy with a free, capitalist system. So the end result is not in question. It is whether or not along the way we are going to be realistic in what is happening in that country and deal with it, or whether or not we are going to deny the threats that we see emerging.

In hearings that we held in March 1997, in briefings that members of this subcommittee have had, namely Silver Bullets, and in several other briefings and hearings, we found that Russia continues large-scale investment of scarce resources preparing for a nuclear war with this country. Russia continues to modernize its strategic offensive forces. Russia is constructing new deep underground facilities at places like Yamantau Mountain that are designed to survive a nuclear war.

We have raised this issue with every Russian leader we have met with from Kokoshin to Mikailov when he was Minister of Atomic Energy, to the Minister of Interior, Orlov, to a 3-page letter that I wrote to Yeltsin himself to which we have received no response. We know nothing about Yamantau Mountain and we have no transparency as to what is going on at that site.

Russia is training its troops in a new military doctrine that emphasizes striking first with nuclear weapons under a broad range of scenarios. Moscow pursues these military operations while in the throes of a severe economic crisis that impairs the stability of society and the very existence of the Government. Colonel Lunev, I am sure, will tell us more about the Russian threat perceptions that are driving these preparations for a possible war.

Again, I do not view Russia through rose-colored glasses as a healthy nation that is merely undergoing some growing pains as it makes its twin transitions to democracy and market capitalism. On the other hand, nor do I view Russia as an unreconstructed threat, the Russian bear in the midst of a long hibernation which one day will soon reemerge.

Put simply, the goal of this series of hearings has been and is to develop an accurate assessment of the political, military, and economic situation in Russia. And today's hearing is one piece in that process.

Colonel Lunev, we welcome you here today and we thank you for being here. Before I turn the floor over to you, I want to call on Mr. Pickett, the ranking Democrat on the R&D Subcommittee, respectfully for his opening comments.

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STATEMENT OF HON. OWEN PICKETT, A REPRESENTATIVE FROM VIRGINIA, RANKING MEMBER, MILITARY RESEARCH AND DEVELOPMENT SUBCOMMITTEE

Mr. PICKETT. Thank you, Mr. Chairman. I, too, am looking forward to hearing the testimony from our witness today. I understand Colonel Lunev will share with us his belief that Russian military service and intelligence personnel still regard the United States as the enemy, consider war between our two nations as inevitable, and that they are actively planning for a World War III.

Apparently, so convinced is Colonel Lunev of these assertions that he suggests a small number of tactical suitcase-sized nuclear devices have already been prepositioned in the United States for future use, a practice he apparently claims is no different from the days of the cold war that existed between our Nation and the Soviet Union.

It is my hope that today's hearing will help us better understand these events. I hope today's testimony will help shed light on several issues, and I would ask our witness to address several matters to the best of his ability.

Colonel Lunev, first, please help us understand why you seem to be the lone voice claiming that such clandestine activities occurred during the cold war. And could you also explain why American counterespionage agents of the Federal Bureau of Investigation have still not discovered any evidence to corroborate your assertion that such activities, such as that of placing nuclear devices in this country, occurred either during the height of the cold war or since?

And second, Colonel Lunev, for the sake of argument, please help us understand the proposed decisionmaking process of national leaders that would contemplate and possibly risk the unattended placement of nuclear detonation devices in a foreign country such as the United States, particularly in view of the fact that the likely technological limitations of this munition type would require servicing and perhaps replacement within a period of only a few months. Is this the type of deployment a logical or rational decision would call for? And exactly what goals are sought to be achieved with this kind of a deployment? And unattended or not, wouldn't the servicing requirements associated with these kinds of devices betray their existence and location?

And third, again for the sake of argument and assuming your claims, at least, were once true, explain to us how you have concluded that such activities and planning are still central to Russian leadership decisionmaking, given the fact that your defection to the United States occurred just shortly after the collapse of the Soviet Union in 1992, some 6 years ago, and presumably since then you have had no official contact with your former colleagues. Can you explain how you have firsthand knowledge of current operational planning of Russian security forces?

And, finally, please help us better understand your characterization of Russia as an aggressor nation and contrast that with what we currently know about the place that you once lived: that, among other things, economic strife exists, that social and political turmoil abounds, that the financial underpinnings of the Russian military have grown so weak as to threaten its complete and overall collapse.

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As you may already know, Russian specialist Stewart Goldman claims the Yeltsin regime has taken better care of internal security forces than they have of the army, and has apparently concluded that to the extent that it faces a security threat, it is more an internal than an external threat.

In view of this, together with preliminary reports suggesting the Russian defense budget alone, top line next year, may be set as low as 60 billion rubles, or roughly $10 billion, is it credible to assume that Russian security forces would be called on to initiate a direct offensive plan against American targets rather than remain focused on homeland defense and internal security?

If your answer is "yes" to the former, then I hope you can help us better understand the thinking behind such a position of the country of Russia.

Mr. Chairman, these are but a few of my concerns. I do not mean to take an antagonistic view of our witness, but I think in the interest of getting a complete picture of what is taking place, that our witness should provide these insights as he goes through his testimony today.

Again, I hope this will prove to be a productive session. I thank you, Mr. Chairman, for the special effort you have exerted to get our witness here today and I look forward to the testimony of our witness today. Thank you, Mr. Chairman.

Mr. WELDON. Thank you, Mr. Pickett.

And, Colonel Lunev, in introducing you finally, I am going to quote from your book. And I quote:

> To my mind, I am not a traitor. I was a loyal citizen of the Soviet Union, a country that was destroyed by traitors who dismembered the country for their own profit. The country I was sworn to defend no longer exists. The criminal regime that rules now is one that I will not serve.

Welcome, colonel, and you may make whatever opening statement you would like to make.

STATEMENT OF COL. STANISLAV LUNEV, FORMER COL., RUSSIAN MILITARY INTELLIGENCE

Colonel LUNEV. Thank you. So, good morning, ladies and gentlemen. I am really thank you for Chairman and for committee members for inviting me. It is a privilege to testify before this committee today on existing threats to the national security of the United States. I am grateful for the opportunity to explain to you my point of view as best I can, based on my lifelong experience working for the GRU, the Russian military intelligence agency, which absolutely are known in this country and may be known only for few specialities.

I am submitting a written record of my testimony; however, I anticipate going beyond my written testimony in response to your questions.

Why it has happened, why I wrote this book? Because I decided to share my concern about Russia and the United States by this book we made with my coauthor, Ira Winkler, *Through the Eyes of the Enemy*. I decided to make this book when I had really big health problems and was diagnosed as a cancer patient. And I wrote this book to inform the United States about what the criminals have done to the country I loved and, of course, to earn some

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money to care for my family, because with my health conditions, I could not be assured in my future.

Additionally, I know this book and information I already have provided to the American Government place my life in some kind of danger from Russian intelligence services. But however, if I am to be killed, it will only be in advance of the cancer. In other words, I have nothing to lose just now.

And we already prepared our written testimony to you, ladies and gentlemen. And if somebody would be interested in response, you can read it, and we can discuss something—your questions a little bit later.

So, I tried to keep myself away from this written testimony, and will try to begin to answer your questions. First of all, raised Mr. Pickett, because of what is going on just now in Russia, it is really difficult to say that events development in Russian Federation is predictable and everything is clear what is going on in Moscow, and let's say Moscow is not all Russia, it is only Moscow.

Mr. Pickett asked me a question, very important question: How do I know about Russian intelligence activity in this country now, because I defected in 1992? Let's say that in my case, to say I am defector is not very good idea, but I accept this word because I simply did not return to country I lived before my whole life, because country I signed my oath for military service in 1963 didn't exist to the time of my defection. And actually, I couldn't provide anymore—to continue to provide anymore my very special services for government, which existence, legal existence is under really great suspension, and government which was penetrated by Russian organized crime groups, by Russian Mafia so deeply that it was possible a few years ago to say officially that Russian Federation just now is a criminal state.

When I found in my military service in 1991, 1992, that results of my very special activity against this country are going not only to the Government but are going to Russian criminals, I decided to cancel my service for this Government and ask about possibility to stay in this country and to not return back.

But from that time, I follow all events which are in place just now in Russian Federation. I have my own contacts with some people. And until now, I can say to you really openly and very firm that Russian intelligence activity against this country is much more active than it was in time of the former Soviet Union existence. And this activity just now is much more dangerous for this country than it was before.

Why? Reasonable question, of course. You gentlemen—ladies and gentlemen, you are really experienced politicians. You have a lot of your own sources of information and, of course, you can accept my information or not. But I can tell you only one, that before the U.S.S.R. disintegration, we worked very hard trying to penetrate through this country national security secrets. And sometimes we were successful; sometimes no success. But this is spy business and the spy business nobody doesn't know who is winner and who is loser.

And our main business was to find real information about American military-political, military-industrial, and scientific research and development connected with military. Most important for the

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future development of American military machine for the future and how to use this information trying to improve Soviet military machine.

But from 1996, so last 2 years, Russian intelligence community still involving in the same regular spy business in this country, plus additionally Russian spies just now here are conducting industrial espionage. You understand importance of this question for this country's national security, because regular spies, regular spies they don't care about information which is not connected with American national security system. But for the future development of this country, to penetrate through American economical, financial, industrial infrastructure, not connected with military now, it means to penetrate through American future and use results of all successes and all positive developments of this country for Russian military machine and for Russian organized crime groups.

How it is possible that not only conventional but mass destruction weapons systems could be deployed in this country very well in advance for the future war possibility? And just now I know that I was a little bit right when I decided to write this book, because after this book was published, I do have a chance to give a lot of interviews to different people, and I found for myself that American public knows so little about Soviet Union and Russian Federation military plans against this country, that it surprised me. It really surprised me, because back to former Soviet Union, we had much more knowledge about what the main Soviet military potential adversary, or the enemy, was planned against the Soviet Union. And for me it was really a surprise that this stuff mentioned in my book grown so high interest between American public. But for us it was regular military practice. For us it was regular military job and we made every day during our spy activity against foreign countries. First of all, against the United States of America.

According Soviet military plans, very well in advance, maybe few months, maybe few weeks, of course, few hours before real war would be in place against this country, Russian Special Operations Forces need to come here and to pick up weapons systems, because they will fly here as tourists, businessmen. How can they get any kind of weapons system in this not very strong but enough effective security system in American airlines? So, they need to come here with clean hands, only with documents. Maybe some money, that is all. But according to their tasking, in few hours they need to physically destroy, eliminate American military chains of command, President, Supreme Commander in Chief, Vice President, Speaker of the House, military commanders, especially to cut head from American military chain of command. They need to destroy communications system in this country and grow panic and chaos in this country before real war would be in place.

They need to destroy power stations and highly protected facilities which could not be destroyed by regular military nuclear missile strike. Only by this reason they need to be in this country well in advance to pick up weapons systems already stored in this country during peacetime but could be used during wartime.

For direct question from Mr. Pickett about so-called nuclear briefcases, of course this is for public, but we name it officially portable nuclear tactical devices specially designed for Soviet spe-

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cial operation forces. And actually it is not a briefcase, because it would be very heavy briefcase, first of all. And all these briefcases, of course, with growing attention from everybody from outside of this operational group. But it will look like as your regular cooler you are taking with your family for picnic. If you play golf, you know this very big golf club bag, it will look very natural, especially not to be recognized from something else, and to not—to avoid any stranger or outsider attention to this stuff.

Plus, let's say that in 1991, according to my information, former Soviet President say first and last President, Mikhail Gorbachev, by his Presidential decree canceled research and development connected with chemical and biological weapons because these types of weapons are strongly prohibited by very special international conventions. So, it is prohibited by international law. And really, I believe that it could be happened and Soviet Union wouldn't be involved anymore in the development of this very dangerous types of mass destruction weapons.

But in the end of 1991, in 1992 and later, I receive a lot of information that research and development of chemical and biological weapons in Russian Federation are in place. Using so-called cover of dual use, of let's say pharmaceutical and chemical research and development, Russian Federation still developing this mass destruction weapons and making these weapons systems much more dangerous for the whole planet.

So, according to these military plans, commanders will come here, will pick up this weapons system, and will fulfill their tasking.

You asked me how it is possible that American counterintelligence community could not protect this country from these possible attacks. Additionally, I can tell you only one, that in this country you have excellent intelligence and you have excellent counterintelligence agencies. They are best in the world. But these people who actually sacrifice their life because they are fighting against any threat to the American national security, they do not have enough people, do not have enough money, and do not have enough possibilities to protect everything in this country. Yes, they try to prevent spy activity in this country.

But according to these reasons I already told you, foreign spies have plenty of windows in local counterintelligence and intelligence community activity and we use these windows with really good results, because they cannot protect everything in this country, and they cannot establish surveillance behind everybody who is inside hostile or other country's intelligence services which are operating here or have suspensions about these people.

So, in our regular business, we demonstrated that we are legitimate people in this country and tried to find windows when we are out of surveillance and made our spy business exactly at that time when we were out of surveillance.

So, I think that you can answer this question how to protect this country much better than me, because you have all information in your hands and you know how to use this information for the protection of your country and your country's national security.

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Using very short time you provided me for this testimony, I would like once more to say thank you very much for the invitation, and I think that our later conversations would be helpful.

And I am really sorry, Mr. Chairman, what has happened with your friend, General Rokhlin, because he was really outstanding politician and military. I didn't—I didn't know him personally, but he was my schoolmate in Tashkent Military Academy, but three courses later than me. Thank you.

[The prepared statement of Colonel Lunev can be found in the appendix on page 37.]

Mr. WELDON. Thank you, Colonel Lunev, and I appreciate your comments about Deputy Rokhlin. Mr. Pickett and I have met with him; I guess you remember Lev. We met with him, at least, on two occasions. I met with him four times in this country and over there. And it is very troubling to me that in Russia there still could be the potential for the assassination of a high-level parliamentarian, and I am going to continue to pursue this.

I have already written to Ambassador Vorontsov asking for a full response and I have written directly to Lev Rokhlin's daughter and son-in-law and the attorney working with them, and will continue to pursue this, along with other members of the Duma who quietly are as concerned about this as I am from all the factions, not just the NASHDOM faction, but all the factions. Because any time you can assassinate someone who is in a senior position because of what they say, you don't have a free democracy. And for us to deny that is only being very short sighted.

I am going to start off by—you talked about the potential for nuclear devices and in your book—I am going to read this paragraph to you about how these devices, in fact, could be brought into the United States and then you can comment on this. In the book you say,

> It is surprisingly easy to smuggle nuclear weapons into the United States. A commonly used method is for a Russian airplane to fly across the ocean on a typical reconnaissance flight. The planes would be tracked by U.S. radar. That is not the problem. When there are no other aircraft in visual range, the Russian plane could launch a small high-tech stealth transport missile that could slip undetected into remote areas of the country. The missiles would then be retrieved by GRU operatives.
>
> Another way to get a weapon in the country is to have an oceanographic research submarine deliver the device, accompanied by GRU specialists, to a remote section of coastline.
>
> Nuclear devices can also be slipped across the Mexican or Canadian borders. It is easy to get a bomb to Cuba, and from there to transport it to Mexico. Usually, the devices are carried by Russian intelligence officers or trusted agents.

So you have given us three devices. I know in the conversations I have had with you, you knew of no specific case where that had happened. Your job was, rather, to plan for that and as an agent to help identify potential sites where these devices could, in fact, be deposited. Is that correct?

Colonel LUNEV. Yes. Yes, Mr. Chairman; because in our regular business, we need to provide all possible support for the future activity of special operation forces inside this country. We need to plan these operations, how to deliver these nuclear weapons and other weapons systems to this country. We were responsible for finding places for storages of these weapons systems. We were responsible for providing of all additional support operation, let's say

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to buy clothes for special operation forces, soldiers, and enlisted officers, to provide them packages of documents, credit cards, let's say clean money which will not be registered.

So, we made a lot of business for the support of these people and how to smuggle these weapons to this country. We stay on position that for American public, it would be really very interesting to know that it is possible to deliver it by air, by sea. But most simple way how to do it is the same way as every day metric tons of drugs are coming to this country illegally through the ground borders with nearest neighbors of this country, by speedboats, by people, by cars, by small airplanes.

So, you know how drugs are coming into this country. It is absolutely the same way. But if it would be difficult, yes, it could be possible to use stealth technology for air delivery or by sea.

And, of course, when these weapons system would be delivered to the United States, GRU trusted people, agents, and illegals as a most effective intelligence officers, they will take care and will deliver this weapons system to the places very close on their future operational use. Let's say why I named Shenandoah area? Because in time of official cold war existence, it was 25-mile zone around Washington, DC, and we didn't have a chance to go outside this 25-mile zone without special permission from State Department. Actually, from American Special Services. But Shenandoah, really it was open corridor and we could travel to this place as we want without notification of State Department. And in this place, sometimes my associates were requested by our field officer chief to go and to see this beautiful place, beautiful area in Virginia, in very heavy rain or snow. What could we see there? Nothing. But we need to make pictures from places. Our boss informed us, concentrate for the making pictures on exact places.

Of course, I cannot pretend to say that there are no places of nuclear or other mass destruction weapon system storages. No; I cannot say so. But it is possible that these devices were stored in this area, and if it would be necessary, these commanders which will come here as tourists or businessmen with empty pockets, without any problem will rent a car in Dulles International Airport, will drive to this place, pick up this weapons, communication devices, money, documents, everything, and in a few seconds they will leave their image of tourists and will become soldiers. Soldiers ready to fight.

They will take this weapons system to places of its future operational use, as I already said, to destroy mostly highly protected facilities and people in this country which could not be destroyed by regular missile and nuclear strike.

Mr. WELDON. Colonel, how long were you in the GRU?

Colonel LUNEV. About 20 years—20 years. And before, I was in regular military service.

Mr. WELDON. When you were in the GRU, in your book you say you were assigned to both China and the United States. How many years were you an agent in China?

Colonel LUNEV. Exactly 3½ years I was in China.

Mr. WELDON. And you speak Chinese?

Colonel LUNEV. I forget to ask you for sorry about my English, but English is my third language.

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Mr. WELDON. How long were you stationed in the United States as an agent? How many years were you stationed in Washington as an agent?

Colonel LUNEV. Three-and-a-half years.

Mr. WELDON. In Washington?

Colonel LUNEV. Yes, from 1988 to the beginning of 1992.

Mr. WELDON. And your cover when you were here was you were?

Colonel LUNEV. I was undercover these professional years as TASS News Agency correspondent.

Mr. WELDON. In your book I think you mentioned that a percentage of correspondents at that time, and perhaps even today, were agents. What is that approximate percentage?

Colonel LUNEV. In general, this percentage was established by special top secret Communist spy politburo decision in 1958, and was confirmed by President Yeltsin in the beginning of 1992. According to this very special orders and decrees, 33 percent from all Soviet and just now Russian official representatives in foreign countries—I mean in the United States, first of all—belong to the former KGB; 33 percent to the GRU; and 33 percent we name them "clean people."

Mr. WELDON. So approximately 66 to 67 percent——

Colonel LUNEV. Intelligence personnel.

Mr. WELDON [continuing]. Were correspondents, were actually working for one of the security agencies, either the KGB or GRU?

Colonel LUNEV. Yes, sir.

Mr. WELDON. Do you think that has changed in the current times in terms of today?

Colonel LUNEV. If President Yeltsin confirmed this percentage by his special decree in the beginning of 1992, I think it is the same way, because I never heard that he changed his position.

Mr. WELDON. Just two historical questions, then I will turn it over to my colleagues. I know they have a ton of questions. One is in your book you mention, and this is not a new fact to us, the GRU and the KGB helped fund, and I quote you, "just about every antiwar movement and organization in America and abroad."

You were involved with them during this time period. You go on to say,

> Funding was provided via undercover operatives or front organizations. These would fund another group that would in turn fund student organizations. The GRU also helped Vietnam organize its propaganda campaign a whole. What would be a great surprise to the American people is that the GRU and KGB had a larger budget for antiwar propaganda in the United States. than it did for the economic and military support of the Vietnamese. The antiwar propaganda cost the GRU more than 1 billion U.S. dollars. But its history shows it was a hugely successful campaign and well worth the cost. The antiwar sentiment created an incredible momentum that greatly weakened the U.S. military.

Was that part of your responsibility?

Colonel LUNEV. It was a responsibility of my former agency. Of course, not mine, because in time of Vietnam war, I was in the regular military service and I had only one secondhand connection with this war when I was invited from regular military SPETSNAZ to special operation forces and with possibility to be sent to Vietnam.

So, I heard this information from my own sources inside GRU, and I was really surprised that it is unknown for American public

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because for us it was well known. And let's say that GRU was proud, GRU commanders were proud for their victory in the Vietnam war because they used military support to Vietnamese and very huge financial support for antiwar campaigns in this country.

And I know that this question is very painful for America, for American people, because the Vietnam war is very difficult to forget. But you know that it is not American military who lost this war because this war was finished from here, not in Vietnam battlefield.

Mr. WELDON. A followup question and my final question is something you did have knowledge about directly and also I think potentially is a change in the way we look at history, and that is the entire truth about the Caribbean crisis or what we call the Cuban missile crisis. And I will quote you again. "My own information about the crisis came later when I was in the GRU Training Academy where I made a full analysis of the operation code named ANADYIR."

Colonel LUNEV. ANADYIR.

Mr. WELDON. "There was much more of the Caribbean crisis than ever came out publicly, even in the Soviet Union." And you go through and talk about 42,000 Soviet troops being placed in Cuba and how Khrushchev himself was involved in a disinformation campaign.

But then here is what I really want you to get at because there have been reports of this, but now we have someone who did an actual internal Soviet study of this and I want you to comment on this. Quote, "By Soviet general staff estimates, Operation ANADYIR was successful." Was successful?

Colonel LUNEV. Yes, sir.

Mr. WELDON. The Cuban missile crisis. "There was no American attack, but more important after the Soviet missiles were returned to the U.S.S.R., American nuclear weapons were secretly removed from Turkey."

Colonel LUNEV. Yes, sir.

Mr. WELDON. "These latter weapons could cover the entire European forces of the Soviet Union and presented a grave threat. Kennedy was allowed to keep the removal a secret so that he could save face."

Is that the results of your internal investigation of that situation, that the Cuban missile crisis really wasn't the big showdown that we have been led to believe in this country?

Colonel LUNEV. Actually, Mr. Chairman, this operation, code name ANADYIR, it was one of the largest, after World War II military environment, so-called disinformation and camouflage operation. And it was designed specially to force the United States to remove American nuclear missiles from Turkey, which were very close to former Soviet Union.

And the result of this operation was recognized successful not only by former Soviet General Staff, but secretly was recognized as very successful by Communist Party Central Committee Politburo, including General Secretary Nikita Khrushchev, who took direct part in participation in this operation and very successfully, if you remember this show he made in United Nations and internation-

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ally with shoe in his hand. So, it is not my remarks, it is official recognition of this operation as successful operation.

Mr. WELDON. I don't know that we all agree with that assessment, but certainly it is good for us to, at least, understand the way the Soviets interpret the Cuban missile crisis. The key question would be whether or not the United States nuclear missiles were removed from Turkey. I don't know the answer to that today, but we appreciate the insight.

Mr. Pickett.

Mr. PICKETT. Thank you, Mr. Chairman. I will try to be brief. Colonel Lunev, is it your statement to us today that the Russian Government presently has explosive devices stored in the United States?

Colonel LUNEV. Stolen?

Mr. PICKETT. Stored here. Placed here. Lodged here. Stored here.

Colonel LUNEV. I never said that they are here. I said it is possible that these devices are here, because they are not inside Russia.

Mr. PICKETT. And you mentioned in your written remarks that in your view, the Mafia, or, I suppose, organized crime, is in control of the government in Russia at the present time?

Colonel LUNEV. Yes, sir. But I need to explain that Russian Mafia is very different from well-known other Mafias. Well-known Sicilian Mafia. Italian Government tries to fight against this Mafia and from time to time successfully. Colombian Mafia. It is not Colombian Mafia. It is not Mexican Mafia. It is not Japanese or Chinese Mafia. It is very special Mafia, because this Mafia appeared as a Mafia in eighties, and includes not only traditional criminals but corrupted Communist Party top-level officials, government members, law enforcement agency leaders and representatives.

So, this is mixture between politicians, criminals, representatives of law enforcement agencies, which are establishing their position against law, and illegally. So, it is actually a different Mafia. And of course this Mafia, they do have their own people inside government and inside Parliament.

Only one example: You know how long Russian Parliament tried to adopt law for fighting against organized crime in Russia? When it was finally approved, law enforcement agencies didn't have any tool to fight against organized crime because this law didn't include most important points which are necessary for fighting against organized crime groups in Russia.

Mr. PICKETT. Does this organized crime group consist of simply one single organization or is it several or many organizations?

Colonel LUNEV. According to estimations, just now there are about 6,000 organized crime groups in Russia. But only about 300 of them could be recognized as Mafia-type criminal syndicates which control banks, joint ventures, private companies, together with traditional criminal business, money laundering, racketeering, extortion of money, prostitution and drug trafficking. According to Russian estimation, about 80 percent of all Russian private businesses are in hands of Russian Mafia. In Moscow and St. Petersburg, this percentage is much higher.

And these people who are inside government, inside Parliament, and in law enforcement agencies, of course they are doing every-

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thing what is possible to make this Mafia successful and they do not need any changes in current situation in Russian Federation because this situation is very good for them. Not for country, not for people, but only for these organized crime groups.

But let's say that this is domestic problem for Russia and what for to discuss these domestic problems here? But please keep in mind that about 30 of most powerful, rich, and experienced Mafia-type organizations in Russia, they already establish their presence and made their establishment in this country. They made their establishment in this country in every other American state and in every big American city. And this is main danger for this country, because when they are coming here as legitimate businessmen, and their money is investments to American economy, are very welcomed by local authorities. But when they come here and making their establishment, they cannot exist for so low interest rate as you do have in this country. Back in Russia they have 30 percent monthly interest. Thirty percent.

So, according to their view or against their view, they are dreaming about the same business they have in Russia. And using their huge amount of money, organization, and trained personnel, they beginning to do the same way in this country. And you know what has happened. In New York City, in Miami, in California, when local authorities begin to recognize that this is direct threat to their economies because Mafia people, they don't care about how to recruit somebody from bank or from American companies, they are using their own methods and very effective methods, penetrating through American financial and economical infrastructure and trying to establish control over most profitable American enterprises. I think this is main danger.

Mr. PICKETT. So, you estimate, Colonel Lunev, you estimate that there are some 6,000-Mafia type units existing in Russia? Did I understand you correctly?

Colonel LUNEV. Yes, sir. And this is let's say—because of according Russian estimation. There are much more.

Mr. PICKETT. But there is no single leader of all of these 6,000 individual units?

Colonel LUNEV. No, no. As a result of this you can see a lot of contract killers and killings, assassinations in Moscow; because during the last 5 years, I think more than 500 Russian businessmen were killed in this—between groups connections.

Mr. PICKETT. Thank you. Thank you, Mr. Chairman.

Mr. WELDON. Thank you, Mr. Pickett.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much. Relative to Mr. Pickett's question of how the Russians might get small nuclear weapons into this country, I have noted, perhaps jokingly in the past, but if I had the assignment of getting nuclear weapons into this country, I would simply put them in a bale of marijuana. We cannot detect the bale of marijuana and if it contained the nuclear weapon, presumably we couldn't detect that either.

If or when the bale of marijuana got here it wasn't broken down and moved to the street, if it was simply sequestered somewhere, the argument could be made that we would never know that the bale of marijuana had come here. If we cannot see it when it is

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moving an airplane or on a boat or in the back of a van, it would be less likely that we would see it once it had been moved to its final destination and sequestered. I wonder if you would comment.

Colonel LUNEV. I am sorry, sir, because for me, actually I didn't understand your question. But if I understand right, you would like to know how it is possible to keep these weapons system in one place for a long period of time? Or not?

Mr. BARTLETT. My observation was that just as a layman looking at the challenge of getting a nuclear weapon into this country, that I had in the past jokingly said that it would be easy to get it here, I would simply put it in a bale of marijuana. Many bales of marijuana are smuggled into our country. If they were hollowed out and a nuclear weapon put in the bale of marijuana, that would seem to be a reasonably secure way of getting it into the country.

Then I observed that if after it was here, the marijuana was not broken down and moved to the street, we would never know that it was here. And the analogy would be that if the nuclear weapon then having been smuggled in in the bale of marijuana were simply sequestered somewhere, why would we expect that we would ever find it?

Colonel LUNEV. Just now I understand. I am sorry, sir. Mr. Barlett, you just now, you mentioned excellent way how to organize operation for the delivery of this weapons system to this country. And it was used in practical life, because you can put this device, let's say together with marijuana, in one package and deliver it to this country by drug trafficking people, which will not have any idea that inside these drugs they do have absolutely different device. And only person who knew what would be inside on one side, and another who would receive it will know about this. And, of course, everybody will know, will think that it was regular drug trafficking, but it was not regular drug trafficking. So, it is very typical way how to organize this operation.

Mr. BARTLETT. I have a political question. You may not be able to answer, but it is one that intrigues me. I have asked why the Russians, with their tough domestic situation and few dollars, are still engaging in military preparations, and I was told that it was because they were paranoid.

If that is true, then my question is why would we want to feed that paranoia by expanding NATO into what used to be part of the Soviet Union? That would not appear to me to be in the national security interest of our country, or any country. If, in fact, Russia is pursuing its military ventures, developments, because it is paranoid, why would we want to feed that paranoia by expanding NATO?

Colonel LUNEV. To say paranoia I think is too strong, because these people, they are not crazy. They are not crazy. But they are using this time, current time, and using the situation which is in place in Russia to become rich and to preserve this money they receive legally and illegally, 99 percent illegally, for their future generations.

In time when there is very deep economical, social, political, and just now financial crisis, these people much more rely on the international aid and assistance than on possibility to develop their own economy and industry. And in time when this crisis is in place and,

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you know, according to news from Russia, and new strikes, no payments of salaries, including military personnel—and for your information, maybe it will be interesting for you—when General Staff officers and Minister of Defense senior officers, including generals who were not paid for several months, they need to go after business hours to the streets and work as salespeople, security guards, taxicab drivers, to make their ends meet, to feed their family by something.

In this situation, the Russian Government needs to explain for its own population that it is not the Government's fault that everything bad, really bad is going on in Russia, but because of foreign enemy or military potential adversity which try to destroy Mother Russia the same way as the enemy destroyed former Soviet Union. To keep away attention of Russian population from domestic difficulties and pose them to the face of foreign enemy.

And you know that during last year, let's say last 2 or 3 years, Russian military conducted huge exercises. And the last one happened 2 months ago when Strategic Air Force Command had really very big field exercises. And when they trained Russian military personnel to fight against whom? Against American military personnel for the future war against the United States.

So they are not paranoid. They are very practical people who are trying to deal very well on problems inside Russia and international problems. And sometimes very successfully. You know about this last International Monetary Fund loan to Russia, together with Japanese money, it would be $22 billion, more than $22 billion. And this is in time when Russia now needs to pay every third budget ruble for serving of foreign debts; with new money, they will need to pay 45 percent of Russian budget, income, for serving of foreign debt. But not one penny will not go to Russian people, the same way it happened with all billions of dollars received by the Russian Federation during last 6 years.

They are not paranoid. They are very smart, but they are dangerous.

Mr. BARTLETT. Thank you very much for your insight. I hope that our intelligence people were listening. You are saying that what Russia is doing is calculated, it is not the result of paranoia.

This brings me to my last question. Our chairman mentioned Yamantau Mountain. This is a large facility, the largest new nuclear-secure facility in the world. It started with Brezhnev. The Russians have spent about $4 billion building it. You mentioned that they cannot pay the salaries of their military people. At a time when they cannot pay those salaries they are still building at Yamantau Mountain.

They have just increased the housing which would accommodate about 60,000 before the increase. It is not command and control, it is not food storage, it is not clothing storage. It is none of these things. Clearly, its only use would be after a nuclear war.

Do you have any suggestion as to why the Russians are still continuing to put a large amount of money in Yamantau Mountain?

Colonel LUNEV. Sir, thank you for question. You know that in regular Russian people, there are a lot of problems. They are not paid. Some soldiers receiving cat and dog food in their daily rations, and they are lucky because in some military camps they do

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not receive anything. They need to sell something and to buy food for weapons systems they are selling to the same state criminals.

But Russian Federation until now didn't change anything in structure of strategic Armed Forces. Conventional Armed Forces, they don't care about it because it could be restored in very short period of time. But they still taking very close care of our strategic nuclear missile personnel and paying very close attention for the development. In time of very deep economical crisis, Russia spent a lot of money for the development of new types of strategic missiles, nuclear warheads, submarines, everything connected with strategic buildup of Russian Federation.

And they are not paranoid; they are really smart people. And they know that if their policy will push the world to the next world war, it would be thermonuclear war and the planet actually would be destroyed and people will die. But they don't want to die. As a result of this, they constructed huge underground facilities in Moscow, close to Moscow, with communications, underground communications with other places and cities, including Yamantau, huge actually bunker.

There is no analog in this world for this huge bunker. It would be an underground city which can save let's say thousands of people from Russian elite after nuclear war. When planet will die, they will still be alive. And this is main reason. And they are not paranoid. They are smart.

Mr. BARTLETT. Thank you.

Mr. WELDON. Mr. Reyes from Texas.

Mr. REYES. Thank you, Mr. Chairman. I have got a number of comments to make about some of the testimony that has been made here. I am particularly interested in the observations that the gentleman made about the ease with which our borders can be penetrated, based on my background in the Border Patrol.

When we are talking about the introduction of narcotics into this country, I think it is helpful to understand and realize that 90 percent of the narcotics coming into this country actually come through designated ports of entry. In other words, when we can only inspect 3 commercial trucks out of every 100, that is the most common way that people introduce narcotics into the country from its primary source, which is Mexico.

In having worked with the Border Patrol, including almost 12 years as the chief in south Texas and west Texas, one of the things that we always were on guard for was unusual things by way of gathering intelligence. Obviously, having the ability to come in contact with not the normal profile people that we would be interested in, either for alien smuggling or narcotics traffics or arms trafficking, those kinds of things, we do have a system that identifies nontraditional targeted-type criminals, and certainly this, I think, would fit into that category.

I am curious about—and the last thing I will say is that there is no such thing as a bale of marijuana. Marijuana is trafficked in kilo packages. The packages are bundled together. But normally—and this is based on my experience—normally drug traffickers are not interested in creating any more attention or any more interest in their trade than is necessary. And certainly smuggling suitcase nuclear weapons would be something that they would look at from

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a perspective of being counter to what they are trying to do, and create an additional type of attention that they don't need or can operate with.

I am curious about a number of things, colonel. The first one is since you have been here in hiding, or in your current capacity, have you taken steps to change your appearance? Have you changed your physical appearance so that you would not be recognized?

Mr. LUNEV. Yes, I changed it a little bit. But it was against my will, because in time when I had radiation therapy, this radiation machine burned everything here and keep only small hairs in this area. That is all.

Mr. WELDON. Will the gentleman yield? Is it not correct that you have also changed your name?

Colonel LUNEV. Yes.

Mr. REYES. I am curious, being here under those circumstances, do you have a regular income—or how do you make a living?

Colonel LUNEV. Because I am consultant, private consultant, and providing my services to government institution and companies which are interested in my recommendations.

Mr. REYES. I was curious about your comment about the issue with the showdown with Cuba back in the sixties, and the fact that the strategy, if I understood it correctly, was to get the missiles removed from Turkey. I kind of found that curious, because there were so many other ways that the United States could threaten Russia in terms of—submarine missile launches and other ways, and I will look further into this, but I was kind of curious to have that as a major goal of the confrontation. I don't know if anyone else shares that.

The last thing I will say is, colonel—and, Mr. Chairman, if you will indulge me here—you know, given the fact that we know that the Soviet Union has always actively engaged in disinformation, I am wondering if we couldn't be subjected to the ultimate form of disinformation and we couldn't be focused on an area or in a manner that we would be falling into a long-term strategy to keep us looking one place and not focusing in on what the real threat meant.

I just have that—I guess it is my background, it is my training and the fact that there is so much disinformation that is part of the national strategy, both for our country and obviously for the Soviet Union and other world powers, that I hope that we are being circumspect in terms of not accepting everything at face value and not, from a practical standpoint, making sure that we have some kind of system where we can really validate and test a lot of these kinds of things.

I am very much, obviously, concerned about the security of this country and the things that are evolving out of the Soviet Union and other parts of the world. But, I think, it would behoove us to really be careful and be circumspect about the way that we approach, and not take everything on its merits or on its face value. And that is basically my whole comment, Mr. Chairman.

Mr. WELDON. Thank you. Colonel Lunev, would you like to respond to Mr. Reyes' comments?

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Colonel LUNEV. I have only a few words, comments for this. Let's say—you mentioned very interesting thing, because Border Patrol from time to time, they found that it is not regular drug traffickers, they have found connected with drugs something else. It has happened, let's say about the last 7, 8 years during these years, last years. I cannot exclude possibility that there were so-called new people in drug trafficking business, which could be used by intelligence agencies for transportation of different weapons systems from one country to another and back.

But it is possible that these so-called new drug traffickers are connected with new wave of drug trafficking to this country, which was organized by former KGB operatives in former Soviet Union, which developed some kind of very special organization using former KGB intelligence officers, their contacts with foreign countries, and their previous locations when they were operational, for drug trafficking from Golden Triangle, from Southwest Asia through Central Asia, former Soviet Central Asia Republic. After this, Southern Europe to Cuba, from Cuba to Latin American countries, and from them to the United States. So, maybe it is new drug traffickers which are part of this current Russian organized crime or Mafia-type activity.

About Cuba, I need to tell you that Cuba is considered by Russian military as a some kind of strong point of Russian intelligence directed against the United States, because, you know, this huge SIGINT station by the name of Lourdes, located very close to Havana, which collected all information from Atlantic and American east coast and additionally to this station. There are some other elements of Russian intelligence on the Cuban territory which people recruits agents and send these agents to the United States for the spy business and to Latin American countries. So Cuba is very important.

And you said about disinformation, it is very important point. And you know that during Cuban crisis, Soviet strategic nuclear missiles were deployed on the Cuban territory. But only limited number of specialists know that at the same time on Cuban territory were deployed tactical nuclear devices. Strategic, it means for the destruction of the American territory. Tactical, to destroy American fleet in time of blockade around Cuba.

And actually, nobody does know about these tactical nuclear devices which were located in Cuba until end of eighties and were withdrawn from Cuban territory only in the end of 1980's, without any knowledge of Fidel Castro about these nuclear weapons location in his own territory.

Thank you, sir.

Mr. WELDON. Thank you. We are going to come around again if you have other questions.

Mr. Bateman.

Mr. BATEMAN. Thank you, Mr. Chairman. As I have understood your testimony, Colonel Lunev, it is to the effect that it is possible that these portable nuclear devices have been positioned in the United States, because they were in Russia but they are no longer there? Is that what I understand to be your testimony?

Colonel LUNEV. Yes, sir; because my point was that these devices need to be deployed in foreign countries, main potential military

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adversary territories, very well in advance. So in peacetime and maybe now. And it was not my story, but it was General Lebed, who was in charge of Russian Federation and Russian Security Council, who said openly that more than 100 of these devices disappeared from Russia and could be located somewhere in former Soviet Union or in other countries.

As for me, I heard this information long, long time before General Lebed disclosed this one. But this is some kind of, let's say, official confirmation.

Mr. BATEMAN. So, basically you are saying that during your career as an operative for the GRU, you were aware that Russia had portable nuclear devices?

Colonel LUNEV. And our instructors teach us how to use these devices.

Mr. BATEMAN. And a part of your assignment when you were in the United States before you defected was to find and recommend sites where they might be brought and deployed?

Colonel LUNEV. You are absolutely right, sir.

Mr. BATEMAN. You have no knowledge that the sites you recommended were actually used?

Colonel LUNEV. No. It is impossible to know about that.

Mr. BATEMAN. Has there been any disclosure as to the site that you did, in fact, recommend? Have you disclosed to any American authorities or intelligence agencies sites that you did recommend?

Colonel LUNEV. In 1992, sir.

Mr. BATEMAN. When you defected, Mikhail Gorbachev was the Chief of State in the then-Soviet Union, and it was during his administration or regime, so to speak, that you became concerned about the Mafia or criminal influences that were eating away at the structure of Soviet society?

Colonel LUNEV. Unfortunately, it is connected with the name of Gorbachev, yes; because his policy of perestroika and glasnost opened gates for open criminal activity. Because before it was underground, and first of all, in type of so-called shadow economy.

Mr. BATEMAN. But prior to Gorbachev, when there was Brezhnev, Andropov, and others, you were not offended by the political cultural system that we know to have existed in the Soviet Union?

Colonel LUNEV. I am sorry, sir; I am sorry, sir. I asked my coauthor because I do not want to spend your time for nothing and will try to answer you shortly.

Let's say that I lost all my ideological illusions about communism and Marxism-Leninism together. In time I had once military education in low school of Moscow and military political academy. It is not GRU training center. It is military political academy, a well-known fortress for Communist Party which tried to train political commissars for army, navy, and the air force.

My school wasn't for commissars, low school. But when I was in the school, I had very special access to libraries. For ordinary people, they didn't have any access to these libraries, and I had the chance to see secret documents signed by Lenin, Trotsky, Stalin, and I found they are not people. They are crazy maniacs who prefers to destroy thousands and millions of their own compatriots for their political goals. So, I lost my ideological illusions long, long time before perestroika and glasnost came.

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Mr. BATEMAN. I am glad you clarified that because what we heard was that you had become disaffected by the corruption, the crime, the Mafia operations, and significance in Russian society, not by any ideological concern about the nature of communism and the Soviet Union.

Let me ask you this. These portable nuclear devices—I should know this, but unfortunately I do not—what kind of capability do these devices have? Are they a threat primarily because of an explosion that can be obtained through these devices, or is it the radioactivity that they release, or is it both? What is the capability? What is the nature of the threat of these devices, if here and if they are utilized?

Colonel LUNEV. Thank you, sir, for your question. So-called nuclear briefcases—for us the official name was portable tactical nuclear devices—specially designed for special operation forces to destroy highly protected targets from inside. So their power is not big. Several kilotons.

But if these devices would be delivered inside highly protected from outside bunker and exploded inside, they will destroy everything. And, of course, it would be together this power wave, radiation, and all—all results of nuclear explosion.

Mr. BATEMAN. So, the operative notion here is that these devices would be smuggled into the United States, would be concealed here, and then Special Operations Forces at a later predetermined time would come here, know where they were, they would get them, and then they would be able to insert them into secure facilities?

Colonel LUNEV. Yes, sir.

Mr. BATEMAN. To maximize their effectiveness?

Colonel LUNEV. Yes, sir. And they would be used, usually, in time when nuclear strike would be very, very close to the target. Because before, to register nuclear explosion, that means to compromise the whole war plans.

Mr. BATEMAN. So, these devices would be used in coordination with a full-blown nuclear attack upon the United States?

Colonel LUNEV. Yes.

Mr. BATEMAN. And only—the concept was they would be used only under such a scenario?

Colonel LUNEV. Yes, sir. And I think it was a very good reason for General Lebed in his last interview to say especially that he finally found that these devices are in right hands, not bad hands. So, these devices cannot be used by, let's say, international terrorists. Because if they will find these devices and will try to open it, they will open box with garbage, no nuclear devices. That is all.

Mr. BATEMAN. I am not sure I understood your point. If I am understanding——

Colonel LUNEV. Self-destruction machine.

Mr. BATEMAN. We have no threat of these devices from terrorists' attack; only from something that is actually a manipulated Russian-controlled operation?

Colonel LUNEV. Yes. These devices could be activated only by specialists. Not all, but specialists from Special Operations Forces commanders.

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Mr. BATEMAN. But suppose Special Operations Forces having access to these devices, in addition to making them available to a terrorist, made available to them the information as to how to make them operative as a destructive device.

Colonel LUNEV. Yes, sir. And of course these specialists who could take care about these devices, how to use it, of course they are not inside regular Special Operations Forces commanders. They are separated. And they would be assigned to the commanders' squads only in time when it would be necessary to activate these devices.

Mr. BATEMAN. But they would know how to activate?

Colonel LUNEV. They will know; they will know.

Mr. BATEMAN. And there are people who have access to the device who also have access to the technology as to how to utilize them?

Colonel LUNEV. Yes, sir.

Mr. BATEMAN. So, if they are corrupted, then they could dispose of these devices for money to terrorist groups, along with information as to how to use them?

Colonel LUNEV. Sir, they couldn't acquire information. Russian Government keeping very close control over strategical forces in Russian Federation, including strategic SPETSNAZ or Special Operation Forces commanders. And these people are isolated. Isolated. They are supplied very well. They do not have shortage in salaries or food rations or something else. And I hope that until now, and in nearest future, they would not need to sell something, let's say, for terrorists or for criminals from this very special devices.

Mr. BATEMAN. Well, in that I am sure we all share your hope.

Colonel LUNEV. Thank you.

Mr. BATEMAN. Given the magnitude of what you described as the criminal organizations that permeate Russian society, I don't know that I have a high level of confidence that even the most elite are immune from being affected.

Colonel LUNEV. Sir, you know, it is a very strange situation in Russia when elite, elite of military-political establishment, they are corrupted from top to bottom. But people who are on the ground, let's say platoon company battalion commanders who do not receive salaries for several months, their family members are hungry, they still providing their services for government which does not pay their salary. So, it is paradox of Russian life when top-level elite is corrupted about people on the ground, working for the country which doesn't care about them.

Mr. BATEMAN. Well, I cannot debate with you whether or not this is the normal phenomenon, but all my experience with humankind is that not necessarily all of these people are that dedicated to the government which does not pay them.

Colonel LUNEV. Yes.

Mr. BATEMAN. I thank Mr. Chairman.

Mr. WELDON. Thank you, Mr. Bateman. The gentlewoman from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman. I am glad Mr. Reyes is back in the room. First of all, I want to thank you, Colonel, for being here today and to let you know that I do not come from a

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political background, I come from a business background, and that allows me to have a lot of friends who do work in Russia now for American companies. Some are very strategically placed, and I will tell you that they e-mail me all the time about the conditions in Russia and what you have mentioned about Mafia and the Government. The strategic nine families who seem to run everything that is over there, is very in tune with what you have discussed earlier. So, I have a lot of confidence, at least, in that portion of your testimony.

Colonel LUNEV. Thank you.

Ms. SANCHEZ. Second, it is wonderful to hear your English, and I am sure that all of my colleagues admire your proficiency in it. I noticed a couple of times that you were apologizing. Please don't, because it is really a wonderful thing to know various languages, and we thank you for being able to speak ours.

I really have a question with respect to what you think would be the countermeasures that we, the United States, should take to better protect ourselves if, in fact, the Russian Government has a strategy of placing weapons of this type within the United States. What do you believe would be a strategic way to protect ourselves?

Colonel LUNEV. Thank you. By my view, in this country, you have very powerful counterintelligence community and law enforcement agencies. And as I already said, unfortunately they do not have possibility to cover everything in this country, so they need support of American people, from everybody, to support them in their really very hard job. If it would be support from every American citizen, I think they would have much more chance to do their job better than they are doing now.

But, of course, to rely on people's support is very good idea but it is very difficult. And if I understand right for this country, it is necessary to build some kind of three lines of protection. Let's say to improve American intelligence community activity, and of course, not only by increased money for this agency. Yes; they need—they need this money, but maybe to focus this agency on the main threat to the United States national security and to concentrate attention for most targeted areas in this country to protect them.

The same way for American counterintelligence. They are doing a really good job. And you know that they are not doing antispy regular business, but they are involved very deeply in fighting against organized crime groups in this country, so they need your support. They need support from American people and they need really, they need much more money, people, and possibilities to protect this ones.

And let's say a third line of defense, I think it would be to focus American National Security Council on the most potential threats of this country and to pay much more attention for the most dangerous points, of course, in the experience of, let's say, a second-hand operations, second operations.

This is briefly—and you remember the gentleman first asked about this who served in Border Patrol. This is law enforcement agencies, very highly trained professionals, but they cannot close everything. They need support. They need increase of funds. They need increase of numbers. Only in this case is it possible to prevent

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everything. But of course this is, let's say, some kind of ideological fiction.

Ms. SANCHEZ. Thank you. I have another question with respect to this Russian Mafia. I think I have somewhat of an understanding of how it exists in the former—in Russia, as I said, I have friends who deal with it quite a bit. Actually on the inside.

My question is, we hear a lot—for example, I come from the State of California where our local law enforcement talks about a Russian Mafia infiltrated within the United States that deals more in drug dealing and sales of false documents and things of that sort. Would you say that that Russian Mafia that our local law enforcement continues to come up against is in any way tied to what is happening back in the Soviet Union, or is that a separate——

Colonel LUNEV. Actually, they have roots in Russia. And as Mafia, they appeared in Russia. And after this, they began to establish international connections and to spread their influence worldwide. So they came, let's say to California, as subunit, a so-called forward deployment unit from Mafia organization in Russian Federation, so they are based in Russia.

But the operations just now, because in Russia they steal actually almost everything, so they need just now to have much more spheres of interest and various interests, so they came to California. And they have support from Mafia in Russia, huge amount of money, and unlimited number of personnel which can come to California when it would be necessary, to establish criminal business in California. But the criminal business, they are not limited by criminal business because, you know, this drug trafficking, prostitution, racketeering is on the surface and is really easy to register this activity.

But for California, I think it is much more important that these Mafia groups located in California, they begin their penetrations through California economy. And they are trying to establish their own control over most profitable medium-sized and small-of-sized companies in California and using all their methods, trying, let's say first of all, to provide damage to this company, and after this, to establish control over this company. I think this is most important danger for California State.

Ms. SANCHEZ. Great. And then I have a question, really. Maybe you don't have the expertise in this, but I will ask it anyway because I am interested in something that we have been dealing with here on the committee just in the recent month with respect to ballistic missile threats.

We just had a report last month, a report to Congress. In the report, let me read something about the assessment of the threat posed by Russia. And then I will ask, since you are a consultant, you give recommendations, I will ask you to comment on the assessment provided in that report, what you may know or not know.

The commission concluded in the report that Russia continues to pose a ballistic missile threat to the United States, although a different character than the past. The commission reports that the number of missiles in its inventory is likely to decline further compared to cold war levels, in that a large number of these missiles are basically becoming obsolete. Still, Russian ballistic missile forces continue to be modernized and improved, although the pace of modernization has been slowed. The Russian ballistic missile early warning system and the nuclear command and control system that have been affected by the aging and the delays in the planned mod-

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ernization means that if there were civil strife present, early warning and command and control weaknesses would pose a risk of unauthorized or inadvertent launch of missiles against the United States.

Could you comment on that?

Colonel LUNEV. Excellent question. I need about 2 hours to answer this question. But very briefly, very briefly, the situation in Russian strategic missile forces, of course, is very difficult. But the Russian Government keeping a very close eye on the development of this strategic missile forces command, and spends a lot of money for the development of new strategical nuclear missiles and new warheads for these missiles.

Actually, in the whole world, creation of new warheads was canceled; and if it is going, it is going very slowly. But Russia is still developing these weapons system.

But about safety, I think that strategic nuclear arsenal of Russian Federation is relatively safe because first of all these nuclear arsenals, strategic nuclear arsenal is protected by special directorate of the General Staff. These very highly trained professionals, they know exactly what to do in every type of situation, so they keeping close eye on the strategic nuclear weapons. But according tactical nuclear weapons, I cannot say so. I cannot say so. And this is absolutely different question, safety of tactical and nuclear arsenal.

But according possible unauthorized use, you know what is happened couple of years ago in Russia when strategic nuclear command missile—nuclear command post found itself without electricity power for computers. In this post, cut power means war. Computers immediately reprogram, itself, own warheads programs, and our planet was very lucky that one computer rejected command for self-alarm and canceled this alarm status for nuclear missiles which began to open roofs in the ground.

So, it was unauthorized attempt to use strategic nuclear arsenal by very simple reason; because Ministry of Defense didn't pay money for electric company and local electricity guy switched off power. That is all. But for nuclear missiles warhead, cutting power means war. So, I do not think that it is possible to use, without authorization, Russian strategic nuclear arsenal. And I think that this arsenal is safe and would be in safety, let's say, for a long period of time until START II and maybe START III Treaty would be in place.

Ms. SANCHEZ. Thank you, colonel. Thank you, Mr. Chairman, for your indulgence with the time.

Mr. WELDON. Thank you, and we will have another round if you want. Before I turn to Mr. McHale, what do you make of General Lebed's comments over the past several days that if certain conditions are not met in Krosnyosk that he would consider taking over?

Colonel LUNEV. Consider possibility to establish his control over military if government will not pay money? Yes.

Mr. WELDON. Do you think he is just posturing himself against Moscow leadership to get them to pay? Do you think he would really seriously consider doing something like that?

Colonel LUNEV. Sir, let's say that he was inside Russian Federation, Yeltsin government, very short period of time, and until now, Russian people, they do not associate Lebed with Yeltsin govern-

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ment. I know how this has happened. Only a few months and he was fired. And if he will try really to establish his own control in Krasnoyarsk administrative district or military located in this district, including a lot of strategic nuclear missiles, I think local commanders will be very glad to recognize his superiority over them, if he will take care about them.

Mr. WELDON. Thank you.

Mr. McHale.

Mr. MCHALE. Thank you, Mr. Chairman. Colonel, in your testimony, and I have had an opportunity to read all of it, you obviously focus on the pervasive influence of the Russian Mafia over the current government.

Could you expand upon that and describe for us the interface between the Yeltsin government and its legitimate exercise of power and the corrupt influence of the Russian Mafia? Is this a relationship that is confrontational? Is it a relationship that is cooperative and illegitimate? Or is this ultimately a battle between legitimate, honest governmental forces and those who would seek to corrupt that process? I guess what I am really looking for is kind of a word picture. Who is really running Russia today? Is it the Mafia or is it President Yeltsin?

Colonel LUNEV. Actually, this is Mafia which is running Russia today. But as I already said, it is very different Mafia. Different Mafia because this is together industrial, mobsters, financial, criminals, law enforcement agencies, leaders and high-level officials, all of them together, plus former Communist Party high-level bureaucrats. So, these people are running Russia now. And just now they name themselves as industrial financial tycoons, but came from nothing 8 years ago to richest people in the world now.

And nobody from them cannot explain the first capital they began their business with. Some money came from criminals directly. Some money from Communist Party money. Some money from KGB special reserves. So these people just now are ruling Russia and the name in Russia is Mafia.

Mr. MCHALE. I am hesitant to use the term Mafia, because it may draw historical references that are inappropriate, drawn from our own history, and unrealistically relating that history to your own. Let me just refer to it as a criminal infrastructure.

How does this—I gather from what you say—very powerful criminal infrastructure extending across areas of political activity, industrial activity, financial activity, interface with the legitimate Government of President Yeltsin? Where does their power end and his power begin? Or to what extent is there a corrupt cooperative relationship, not that I mean to imply such, between the legitimate government and the criminal infrastructure?

Colonel LUNEV. Legitimate government and criminal infrastructure just now are very close to each other, and penetrating into each other. People from government are involving in private business and criminal groups are involving in government activity. And it is no joke, but just now Russians are talking that every political party in Russia has its own criminal Mafia organization and every Mafia-type organization has its own political party. So this is mixture.

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And about Yeltsin's government, Russian Federation Government, this government trying to explain to its own people that trying to fight against organized crime group, declared several campaigns for fighting against organized crime groups. Six campaigns. All of them failed because who will fulfill the main duties of this campaign? Law enforcement agencies. They are corrupt.

A few years ago it was official estimation of Russian—one of President Yeltsin's assistants in charge of national security—that for Moscow police, Moscow police, 90 percent of personnel existed on the money they received from Mafia. How these people can fight against organized crime if they are receiving money from these Mafia-type organizations? So, there is no border or any kind of very clear difference between government and criminal activities together.

Mr. MCHALE. You paint a pretty bleak picture. Imagine that you were up here on the dais in our position and we are seeking to identify honest, independent, reform-oriented elements of the Russian Government.

Can you help us in that identification? Are there elements of the Russian Government that are truly striving for the democratic ideals that we hold to be true, and what can we do to relate to those independent, honest elements of government in order to reinforce their capability? How do we find the good guys and how do we help them?

Colonel LUNEV. I think for this purposes you have a strong intelligence agency in this country and it is their responsibility to provide you that answer for this question. Of course, I cannot say that every, everybody in this country—by the way, which government? Last government? Previous government? And how long this current government will stay in power is very difficult to say. But I cannot say that everyone connected are criminals. But almost every, yes, they are connected. And to find who is who, I think it is not very difficult in Russia. And I think for your intelligence community, there is not any kind of big problem to answer for your question. And I think that it is necessary, it is necessary to look a little bit more around government trying to find people who are really supporting democratic changes which need to be in place in Russia, but they are not.

So, to look around and not concentrate only on government and with people who are outside government, I think it would be very good idea to find common ways how to do together to plan democracy inside Russia.

Mr. MCHALE. You are talking about strategic partnerships with those who are outside the formal structure of government. Financial relationships, industrial relationships.

Colonel, you discuss at some length, both in your testimony and on prior occasions, the selection of drop sites for weapons of mass destruction in the United States. Could you briefly describe to us the selection criteria that you used? Was it based on industrial activity in that area? Population centers? Political significance? What kinds of considerations entered into your calculation?

Colonel LUNEV. First of all, nobody from—intelligence officers in the fields was not informed about weapons systems. He need to find places for storages. He was informed about sites of so-called

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dead drop. It was necessary to find, let's say, 1 meter and 50 centimeters. What is possible to put there, we didn't know. But we understand that it would be some kind of container for special weapons system, because regular it could be placed in absolutely different size.

Mr. MCHALE. I understand.

Colonel LUNEV. So, with this question for us, everything was very clear. But another one, why it is not necessary that to get very close to industrial or political objects or mostly populated areas. They need to be located in places where it would be most easiest way to reach this place and to take this place for future target. Let's say that.

Mr. MCHALE. If I understand correctly, you are saying that this drop site was not the place for detonation but simply for storage?

Colonel LUNEV. For storage only. For storage only. So, let's say for Washington, DC, operational area, what was the most important? Chain of military command. With destruction of the chain, war would be victorious for one side immediately, and losing for another side. So, it needs to be located, let's say, in not very far from this place, but not very close to this place because all this area around big Washington, DC, under very special and permanent attention of American Special Services. So, it needed to be not, let's say, 500 miles, but not less than 50 miles to this place. So, location was depends from future operational use of these weapons.

Mr. MCHALE. Thank you for the information. Mr. Chairman do we have time for one more question?

Mr. WELDON. Sure, go ahead.

Mr. MCHALE. Colonel, I have been affected by your emphasis on the corrupt and pervasive nature of the Russian Mafia, to use the term that you employed earlier, and I have deep-seated concerns, concerns that I think you intended to produce, regarding the influence of that criminal infrastructure.

On a very pragmatic level, how do we, in the United States build a positive and strategic relationship with the Russian people, a relationship that many of us believed would be the outcome of the end of the cold war, an opportunity to set aside our weapons, particularly our nuclear weapons, perhaps not abandon them, but to move back from the brink of confrontation and build a very positive relationship with the Russian people.

How do we continue to pursue that goal while dealing with the reality and the potential brutality of a criminal infrastructure that exercises such enormous control over the Russian Government and, by implication, Russian society? How do we build that friendship with the people while confronting and challenging the criminal element?

Colonel LUNEV. Thank you very much, sir. It is an excellent, excellent question. I can tell you only one. That Russian people, they like American people. Ordinary Russians, they know where is America and what does it mean, America. And let's say that—we do have very many common points between ourselves—but let's say what does it mean America? This is our planet in miniature, dozens of different nations, nationalities, different races in one country. It was absolutely the same in former Soviet Union where there

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were dozens of nations, nationalities, people with different color of skin. And so, we do have not only this multinational structure, we have a lot of common cultural values, human values together. And to find way to understand Russian people, it is no problem absolutely. And Russian people find way to understand American people.

But American people, you have democracy here. And you have a right to elect and control. Russians, officially they do have it. But unfortunately in real life, they have very limited rights. And I never heard about somebody who say that he hates America. No. They like America and excited by the American way of life; and envy, envy for Americans which can establish their own way of life without order from the top.

So, how to build this relationship? I think you already are doing, because fortunately I had a chance to see some materials from your committee when you are involved in providing support for Russian Parliament members in their understanding, better understanding of democracy and how it is possible to live in democracy. Finally you are providing them with advises and something and other information, how to build their own economical life, for finance and for housing builders. You have a lot of problems, but who knows about it? You know. Russian Parliament. Who else? It is absolutely unknown for general public because you spent hours, you spend your lives trying to do it, but nobody doesn't know about it.

So, please extend your possibilities and inform American public that you are not sleeping, you are doing and doing very important thing. And, of course, to answer your questions, I need to return back to our previous conversations. Please, do not concentrate your policy and activity only for one person. Only for one person. He is nothing now. He is thinking about his family. That is all. I mean big family. Try to find somebody else who would much more easier to understand you and will make return step to your step, which are doing with your open heart, that is all.

Mr. McHALE. Spasibo.

Mr. WELDON. Colonel, the question by Mr. McHale and your response leads us to what I want to say about this hearing and what our purpose here is and our intent, and the fact that I hope people don't misread this as an attempt to try to come at a conclusion that we should totally withdraw from involvement with Russia, that we should somehow attempt to recreate Russia as an adversary that we eventually have to confront militarily, because I don't believe either one of those two.

My intent with this hearing was to present to the American people and our colleagues that there are serious concerns within Russia. And I think we do ourselves a disservice when we, as a government, deny reality, when we pretend that Boris Yeltsin is in total control; when we pretend that the $600 million a year we put into Russia in terms of cooperative threat reduction, which I support, and economic development assistance, is really helping the Russian people.

Because for the most part, the average Russian person doesn't see the benefit of the money we are putting into that country. They don't see the benefit. And therefore, if anything, they see their quality of life getting worse instead of better.

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You mentioned a couple of the ideas that we are pursuing and two of them, I think, are very important because we have worked very aggressively on these.

The first is to empower the state Duma, to have the state Duma and the Federation Council, the equivalent to our Senate, play more of an aggressive, proactive role in the Russian Government, because right now you have a strong President. And the strong President can threaten to disband the Duma whenever he feels as though that is the way he can accomplish his objective.

So, I think one of the things that we can and should do, in fact, what we are doing, is find ways to strengthen the Duma and identify those leaders in the Duma who are enlightened, who are honest, and who really are committed to Russia's long-term success. And let me say to you there are a number of those kinds of people. There are a number of Duma deputies who I believe are honest, hardworking, sincere, and who we have and can trust. And so, we are taking the initiative to work with those individuals.

The second thing I think we have to do is help Russia create a middle class. I think by your testimony and by your own observations, you have the very wealthy Russians who are bleeding the system, taking in many cases money intended for the average Russians and putting it in Swiss bank accounts and in United States real estate investments, instead of helping the Russian people.

We need to find ways that can help Russia create a middle class, and one of those you alluded to is a mortgage financing mechanism so that average Russians making $200 a month or less, which is the average Russian family, can, in fact, be able to buy a flat, an apartment, or house, and mortgage it as we do in this country over 25 to 30 years.

It is very difficult to do that. And I will tell you why. Because we have relied for so long in this country on President-to-President that our Government doesn't want to bypass the existing structure in Russia. And what I think we have to do, and I want you to comment on this, I think we have to bypass that structure. We have to find ways to go right to the regions, to the regional leaders, the governors outside of Moscow, who can and who, I think, want to create real programs, programs that have integrity to help the Russian people, instead of these centralized and centrally controlled programs that basically benefit the existing power structure and the existing seven or nine bankers who are basically siphoning off the bulk of the money that the IMF and that we put in. Do you agree with that assessment?

Colonel LUNEV. Yes, sir. Yes, sir. And I can say additionally only a few words, because all of this international financial assistance which is going to Russia is going to the central government, to central bank, and international bank organized numerous operations for this money, especially how to distribute this money finally to the private pockets of new Russian tycoons. So, this money is used by central government for their own people.

But if some aid and assistance will go to the regional powers, to the regional governors, governments, they are not corrupted so much as central government, and maybe just now from all this international hundreds of billions of dollars, not one penny came to ordinary Russians. So, if you do this business using local authori-

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ties, I think it would be much more effective, much more effective for the future of Russia.

Mr. WELDON. Well, I agree with you totally, and we are working in that regard aggressively to accomplish that.

Mr. Pickett do you have any other questions?

Mr. PICKETT. No; I have no questions Mr. Chairman.

Mr. WELDON. Colonel Lunev, are there any other points that you would like to make that we haven't covered? There are a number of other questions we could ask you about, but I think you have given us a very fair and accurate perspective, and I think you have also been very careful to caution us that you haven't been involved for 6 years in Russia as an agent, and that you don't have direct information to all of those things that we have asked about. You are just giving us your personal feelings.

But you shared with us your desire to have stable relations between the American people and the Russian people. And I would hope that people do not misinterpret this hearing. Again, this is not to try to embarrass anyone. It is to try to fully understand what is happening in Russia.

I started this hearing off by talking about one of my good friends. I have many good friends in Russia but one of my good friends was Lev Rokhlin, a hero in Russia. He turned down the highest award that the Russian Government offers to its military, the Hero of Russia Award, because of Pavel Grachev who was going to give it to him, and Lev Rokhlin's lack of respect for Pavel Grachev, a man who was a member of Yeltsin's party and who, rightly or wrongly, last year called for Yeltsin's impeachment because he felt that the soldiers were not being given proper attention in Russia, which I think has been acknowledged by everyone. But because of his outspoken criticism, apparently he has been assassinated. That troubles me greatly; one, because he was a friend, and two, because you cannot tolerate those kind of high-level assassinations in a government of law.

I think what you have provided for us is a perspective from one agent as to some of the internal problems in Russia and the potential threat to the United States I would encourage people—and this is not an ad for your book—but I would mention, since you were so kind to come here and you are not being paid anything for this appearance, *Through the Eyes of the Enemy,* by Col. Stanislav Lunev, published by Regnery Press, coauthored by Ira Winkler who is also here today.

We thank you for this perspective on your feelings, and I pledge that we will continue to work to have a stable relationship and one that helps the Russian people; not those bureaucrats, not the protected class, but rather the Russian people, so that we can live in peace together.

With that, I would ask the audience and the media to allow you to leave first, so you can protect your identity, and once you have left the room, we will adjourn the hearing.

Colonel LUNEV. Thank you, sir. Thank you very much.

Mr. WELDON. The subcommittee hearing now stands adjourned.

[Whereupon, at 12:30 p.m., the subcommittee was adjourned.]

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APPENDIX

AUGUST 4, 1998

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STATEMENT BY STANISLAV LUNEV
FORMER COLONEL
RUSSIAN MILITARY
INTELLIGENCE

First let me tell you a bit about myself.

For five years I was a colonel in the GRU, the Russian Military Intelligence Agency, until 1992 when, shortly before I was to receive the highest military award given, I defected to the United States. At that time, I was one of the top Russian intelligence operatives in the United States. While working under the guise of being a foreign correspondent for a Russian news agency, I sent my reports about the American government to the highest levels of Russian government. My specific reason for defecting was I could no longer support corrupt politicians and the criminals who now run this government. They have destroyed my former homeland.

Allow me to explain how this happened. When the Communist government fell, the communists obviously lost power. This left only one other group who had any money or power, the Russian Mafia. So, when the new government was formed, the Mafia supported its own candidates. Thus, the Russian Mafia took control of the government. In addition, the Mafia added to its legitimacy by getting involved in legitimate businesses to enable it to get on the inside workings of government.

Once the Mafia had "friends" in the government that were disguised as legitimate businesses, it could freely operate its "illegal" businesses without fear. These businesses have become more and

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more profitable. In essence, the Russian Mafia runs a government that has been in the past, and now remains, corrupt and accountable to no one. As an intelligence officer for the USSR, I served the country I loved. However, in 1992, I realized that my intelligence services were just being exploited to benefit the Mafia, and not the Russian people. I defected, wrote *Through the Eyes of the Enemy*, and debriefed the American special services to assist the U.S. in understanding what is really happening in Russia. I have done this to help the people of both the U.S. and Russia. I debriefed the United States government, to the best of my ability, on covert operations by the GRU in the U.S. Some of the details of the information discussed in my book were classified, and unfortunately that limits my ability to provide the American public with specific details. However, please be assured that the American government has those details.

One of the reasons I am here is that I do not feel the United States regards Russia as a current military threat, despite the fact that the Russian military still considers the United States and NATO its main military adversaries. This military threat is closely tied to Russia's economic crisis and the pervasiveness of criminal enterprises. As I stated above, the Russian Mafia controls the government, and the Mafia is motivated by money. The Russian Mafia is still funding operatives against the U.S.

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To make money, Russia has been the primary supporter of Iranian weapon development, and it aids Libya as well as other nations unfriendly to the United States. The GRU continues to train terrorists worldwide. As you can see, even though Russia no longer seems to be the direct enemy, because of its desire for profit it remains the major threat to the U.S. through weapons proliferation and training.

Russian Mafia members are businessmen, who will do anything for money, including selling sophisticated weaponry and even nuclear missile technology, to any country around the world. The recent terrorist attack that released poison gas in Japan is a good example of how serious the GRU is about spreading its knowledge and profiting at the same time. The United States must not "look the other way" and must be more aware of potential threats.

I know that this Committee is concerned with IMF funding for Russia. Remember, the government is controlled by the Mafia. The money you send will never get to the Russian people. It will go to the government, which will essentially write checks to the people who put it in power—again, the Mafia. Contrary to popular opinion, IMF funding will support the Mafia, and will thus prolong the lack of any true economic reform in Russia.

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Russia is not just an indirect threat; it still operates a pervasive intelligence community here in the U.S. While working as an operative, one of my main directives was to find drop sites for mass destruction weapons. I describe this in more detail in my book. In short, these drop sites were in or near the most densely populated areas so that they could be retrieved or detonated at any time by GRU operatives or special forces soldiers. These are examples of the most serious threats to the U.S., and admittedly do not occur every day. However, every day, in fact every hour, serious breaches in U.S. security occur.

During my career as a GRU spy stationed in the U.S., I grew to admire the FBI's and other U.S. agencies' efforts to thwart foreign espionage. Despite the tireless work of the men and women of these agencies, I must honestly report to you that obtaining highly sensitive and classified information was not very difficult. For example, while I was reporter for TASS, I was invited to see the Stealth weapons. While I had the chance, I took pictures of the most sensitive parts of the bombers and fighters and sent them to Russia for analysis by military intelligence.

Frankly, this was not the ordinary way I did business. When people think of a "spy," they think of James Bond. A good spy, however, is neither the loner nor the serious man in the corner of a

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room. A good spy is everyone's best friend. The most important part of my job as a "spy" was to recruit. As a spy for Russia in the U.S. I was to recruit information operatives. It was rather easy to recruit Americans just by being friends with them; many people gave me sensitive and classified information. Of course, a few of these people were paid for their information. Quite frankly, there were always individuals who were willing to sell secrets for money.

Mr. Chairman and members of the Committee, I thank you for the opportunity to speak with you today. I could go on for hours, but I believe it will be more helpful for you to talk on specific topics about which you are concerned. With that, I will end my formal remarks now and respond to your questions.

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THE RUSSIAN MILITARY'S HOUR OF TRUTH

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Assessing the present condition and future prospects of the Russian military present a serious challenge to American foreign policy professionals, intelligence analysts and policy makers. Today's Russian armed forces are facing their deepest crisis since the fiascoes of the Russo-Japanese War of 1904-1905 and World War I. Both of these earlier defeats led to revolutions and the eventual collapse of the Romanov empire. But today's crisis was brought about not only by battlefield failures. While the Soviet military lost the war in Afghanistan, and the Russian army failed abysmally in Chechnya, it was broad changes in the Soviet and Russian societies that caused the demise of the second-largest war machine in the world.

By signing the Founding Principles agreement in Paris on May 27, 1997 recognizing NATO enlargement East, Russian President Boris Yeltsin effectively admitted Russian military impotence. After returning to Moscow, Yeltsin fired well-respected Defense Minister Igor Rodionov and Chief of General Staff Victor Samsonov for allegedly failing to reform the military. He then nominated the Commander of Strategic Rocket Forces, General (since then promoted to the rank of Marshal) Igor Sergeev, as the new Defense Minister. Sergeev is characterized by a Russian military expert as "not a typical Russian general—he reads a lot and drinks a little!" The 1997 crisis in the Russian High Command was typical of Yeltsin's management style: complaints about the problem are followed by finding and punishing a scapegoat, while sustained political leadership and long term solutions are not provided. In any event, the military hierarchy, as well as rank-and-file, complain about Sergeev's preoccupation and prioritization aimed at preserving strategic forces and neglect of the conventional military necessary for addressing current security needs.

Indeed, today Russia is attempting to preserve its R&D capabilities, is pursuing modernization of its ICBM fleet with the mobile TOPOL-M. The Russian navy has launched a nuclear powered aircraft career and a Soviet-era designed nuclear powered battle cruiser Peter the Great (formerly The Yurii Andropov). Russia is still constructing a huge underground nuclear war-fighting bunker complex in the Ural mountains. Nevertheless, it is the deterioration of security of the nuclear arsenal, impoverishment of officers and enlisted men, and wide spread corruption which generate the greatest threat emanating from the former Soviet military – the threat of proliferation of weapons of mass destruction and technologies and personnel to produce them.

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Plummeting Budgets. Today, the Russian military budget is only a shadow of what the USSR spent. The 1999 Russian Federation budget is projecting R102 billion allocated for the Ministry of Defense. In average 1998 prices this equals $15.8 billion. Current estimates stand around $20 billion based on Equal Purchasing Parity (EPP) method, while the Soviets spent at least $100 billion per year on the nuclear arms race and global power projection.

Russia's military power has been dramatically reduced since the collapse of the Soviet Union. While Russia still is a preeminent nuclear power, it lost the great instruments of conventional power projection. Whether one looks at quantitative indicators, such as the number of divisions, tanks, fighter aircraft or ships at sea, battleworthiness of ships and units, number of hours flown by pilots, or the qualitative measurements of morale and fighting spirit, the Russian military is in precipitous decline.

According to the former Yeltsin's national security adviser, paratrooper general Alexander Lebed, who had testified before this esteemed Committee, only one Russian *spetsnaz* (special forces) division is battleworthy today. Others are in various stages of disarray. Russian pilots, who used to fly almost as many training missions as their American counterparts, can now only train for an abysmal 4-10 hours per year due to budgetary constraints. Ships and submarines remain docked, rusting and deteriorating because there is no money to pay for fuel and maintenance. Often, they keep their nuclear arms aboard, as the military cannot afford to securely store the formidable weapons. There is even a severe shortage of uniforms for the graduates of military academies.

Corroding Corruption. Corruption, which always existed in the Russian military, has reached unprecedented proportions. Officers and generals in Chechnya were known to be selling arms to the rebels arms with which their own recruits were subsequently killed. Recently, the former CNC of the Pacific Fleet, who became Deputy Commander of the Russian Navy, was arrested and indicted for pocketing the proceeds for a sale of over 40 of the Fleet's ships to India. According to the Organization of Soldiers' Mothers, a Russian grass roots movement, dozens of conscripts in the army and the navy die of starvation, as their superiors steal and sell foodstuffs which are earmarked for the troops and sailors. Hundreds of conscripts are being murdered while in service every year. In the meantime, general officers and admirals are busy building themselves luxurious villas worth hundreds of thousands of dollars.

The recent disaster in Chechnya further indicates that the military is suffering from a number of ills—from poor morale to gross mismanagement—which will surely manifest themselves in any other operation these forces could conceivably conduct over the next decade.

Today, existing security priorities and tight fiscal constraints conspire against genuine reform. Simply caring for the needs of officers, enlisted men and their families will continue to gobble up an increasing share of the budget. Maintaining Russia's

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nuclear forces will remain a key priority, as these forces are Russia's sole remaining claim to superpower status. Defense Minister Marshal Sergeev, will most likely try to keep at least his former service (the Rocket Forces) in shape. Indeed, conventional military weakness may place new demands on these nuclear forces. Senior defense officials and military analysts have stressed the potential for nuclear weapons, including tactical systems, to respond to NATO expansion or meet other threats on the horizon.

The Russian military is indeed a demoralized and ineffective force. Its personnel received no salaries for four months in 1996. The situation hardly changed in 1997. While officers in the Rocket Forces and Interior Ministry troops are paid regularly, fliers, tank commanders and enlisted men are often go unpaid for months.

Social Conditions Unbearable. Perhaps as many as 100,000 officers and their families have inadequate housing. Many facilities lack the infrastructure to care for the dependents of servicemen. Infectious disease has increased dramatically. Widespread draft dodging has left the military with a conscript pool of low professional quality with widespread health problems. Corruption is rampant throughout the army. The military is short of food and fuel. In 1995, the army used up 35 percent of its food and fuel war-stocks. Soldiers in Chechnya this winter wore sneakers and winter hats donated by the Menatep Bank. (For comparison purposes, imagine the US having to conduct Desert Storm with the help of Nike.) In October 1996, warning of possible disturbances in the military, former Defense Minister Rodionov cautioned that "because of the chronic shortage of funds Russia's Armed Forces reached the limit beyond which extremely undesirable and even uncontrollable processes may arise."

In May 1997, then-Duma Defense Committee chairman, the late General Lev Rokhlin, called for the military to take "extreme measures" to stop the deterioration of the army. His calls went unheeded. While Rokhlin remains nominally a member of the pro-government parliamentary faction "Our Home is Russia," together with former Defense Minister Rodionov he is trying to organize numerous Russian veterans and officers to support the nationalist and communist opposition in their demand to significantly increase the military budget.

Kremlin's Merchants of Death: Selling a Rope to be Hanged with. The Russian military's financial crisis poses a threat to international security in that Russia's non-conventional capabilities are now poorly guarded. Emerging powers like China and rogue regimes, such as Iran and Iraq, are busy seeking– and acquiring – the crown jewels of the Russian military industrial complex. The potential also exists for deadly technology to be sold to or stolen by international terrorist organizations or organized criminal enterprises, such as the Columbian drug cartels.

Beijing is a particularly avid customer of Russian military hardware and know-how. China purchased advanced Russian technology to enhance its nuclear warheads and boost its intercontinental ballistic missile capability, which is obviously aimed against the U.S. To date, Beijing bought two Sovremenny class missile destroyers armed with

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supersonic cruise missiles—a system that was designed to destroy U.S. aircraft carriers. Aware of their air inferiority, China also purchased squadrons of Russian state-of-the art Sukhoi-27 fighters, AWACs planes, and in-air refuelling capabilities. This build-up serves the Chinese strategic goal: to acquire a military option against Taiwan and to deter America from interfering.

Another major Russian weapons market is the Islamic militant regime in Iran. Thousands of Russian nuclear technicians are at work on the Iranian atomic programs, which most probably involve military applications, just as they are in China. The Russians sold Tehran Kilo-class diesel submarines which are capable of disrupting the flow of oil shipments in the Straits of Hormuz. Russia would also like to fill a gigantic order for 4,000 battle tanks from Saddam Hussein, but has so far been deterred by the U.N. sanctions.

Russia sees building up the military capabilities of China, Iran and India as balancing off America's global reach and eroding the superpower status of the U.S. The foreign military sales also help bail out the deteriorating Russian military industrial complex, keeping the assembly lines going, and providing dollars for research and development. If Russia is to compete in the arms markets of the 21st century, technological innovation must continue. Russian weapons are cheap, simple and easy to maintain. This makes them even more attractive to the developing countries.

The state-owned arms export company Rosvooruzheniye, until recently headed by Lieutenant-General Alexander Kotelkin, is doing a good job learning the snazziest advertising techniques and getting creative in the financing field. Due to its government connections, the Russian State Bank and private banks now finance deals like fighter jet sales. In 1996, Rosvooruzhniye sold $3 billion dollars in weapons, with projected 1997 sales of $5 billion. By the year 2000 the Russians are again threatening to "catch up and overtake" the U.S. in the deadly business of weapons trading.

Empire No More. The collapse of the Soviet Union changed the power balance in the vast expanses of Eurasia—from the Polish border to the Pacific; and the Russian military became involved in a series of devastating ethnic conflicts in an attempt to preserve the old empire. In some cases, it exacerbated these conflicts, and in other cases it caused them. For example, fighting between the Romanian-speaking Moldovans and Russian speakers in Eastern Moldova (the Trans-Dniester region) in 1992 placed Moldova's independence in question, while Moscow dispatched Russian military units, under the command of General Alexander Lebed, to its territory.

In 1993, Russia delivered a blow to Georgian territorial integrity by militarily supporting the Abkhaz separatists. Moscow tried to save the communist regime in Tajikistan by shipping the 201st Rifle Division to this Central Asian country. In 1996, the Russian military shipped $1 billion worth of weapons, allegedly including missiles and

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tanks, to Armenia, thus strengthening the hand of Armenians in their war against oil-rich Azerbaijan. Russia is interested in keeping the conflict over the Armenian populated territory of Karabakh in a state of "suspended animation"— neither war nor peace, as this would best suit the Kremlin's role as imperial peace maker in the Caucasus. Thus, the expeditionary corps— a new type of armed forces, basically a professional infantry suited to colonial and "peace making" missions—began to play an increasingly important role in the Russian military. It is predictable that they will continue to do so in the future; just as the ascendancy of the "Afghan" and "Chechen" groups in the Russian military can be anticipated. Simultaneously, the role of the Strategic Rocket Forces will increase. As Russia's conventional forces deteriorate, the Kremlin is placing greater reliance on its nuclear rockets.

New state players are moving into the formerly Soviet-dominated imperial space. First and foremost is China, the fast growing giant in the East, which may have designs for the Russian Siberia and Turkic speaking Moslem Central Asia. These are also the Islamic states of southern Eurasian rimland—Pakistan, Iran and Turkey. After winning the "Great Game" of the nineteenth century against the British Empire in the Caucasus and Central Asia, Russia is suddenly faced with new players which she does not understand, and at a time when the resources at her disposal are severely limited. Finally, if NATO expands East, there will be increased Euro-American interest and influence in the Baltic states and Ukraine.

Professor Steve Blank of the U.S. Army War College, a widely recognized expert on the Russian miltary, warns that the collapse of the military is "a syndrome of the failing state." Indeed, the privatization of Russian industry, which has been underway since 1992, and declining inflation, have combined to decrease the resources available to the state for military industrial production. Russia is suffering from a collapse of the state-provided "social safety net"— health services, education, and social security are all in catastrophic condition. Millions of refugees are streaming to Russia from the states of the so-called "near abroad"—the former Soviet republics. The rule of law has disappeared, to be replaced by the "privatization of justice"—gangland style. Such an unhealthy society can only wreak havoc on its military. Many of its most able officers have already left for the private sector, and some have even joined organized crime, bringing to it unprecedented discipline, management and fighting skills.

Men in Uniforms: Power Struggles Continue. With the Russian presidency weakened through most of 1995 and 1996 due to Yeltsin's illness, state institutions such as the Ministry of Defense, the Ministry of Interior and the Ministry of Foreign Affairs were involved in political rivalries. In the meantime, private interests, such as the natural gas monopoly Gazprom (until 1992 headed by the former Prime Minister Victor Chernomyrdin) and the giant oil company Lukoil, are becoming foreign policy players vying for control of the oil reserves in the Caspian sea. The military thus has become only one among several players. Nevertheless, Russia is pursuing ambitious policies of imperial overextension. It nurtures geopolitical ambitions stretching from the Kuril

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Islands in the Pacific to the Pamir mountains in Tajikistan, and all the way to the Polish border. This is a recipe for a disaster that Russia can ill afford, says Steve Blank.

The Interior Ministry troops, the Border Guards, and even the presidential guard are all vying for diminishing resources, power and prestige as though involved in some schizophrenic dream. Of course, lacking centralized leadership, the Russian "pluralistic" militaries have difficulty implementing the long-needed reform and transitioning to a professional force. The demise of Yeltsin loyalist Defense Minister Pavel Grachev, the rise and fall of General Rodionov, the ascendancy of Marshal Sergeev, the powerful but brief performance of charismatic paratrooper General Alexander Lebed, the ballistic trajectory of Interior Minister General Kulikov's career—all of these scenarios are not only first rate Kremlin intrigues, they reflect competing visions of the future of the Russian military. With the next millennium at the gate, and the bills for its multimillion dollar armed forces rising amidst growing poverty, Russia desperately needs to sort out the mess—and the clock is ticking.

While there seems to be no imminent threat of a coup, the Russian military would likely support a nationalist candidate in the next presidential elections. With General Lebed actually being unpopular inside the military high command, chances are that the Moscow Mayor Yurii Luzhkov may emerge as the benficiary of the institutional support of the armed services, while Lebed will be the top vote getter with the rank and file. Many Russians think that a leader espousing a nationalist agenda could put the country and its military on the road to reinvigoration and power. Certainly, the Russian military has known painful defeat and humiliation in the past, and it has managed to restore its might before. Precedents abound: Moscow was burned down by the Poles in 1613 and by Napoleon in 1812. The Kaiser's Germany defeated the czarist army in World War I, while Hitler has almost captured Moscow and Leningrad in 1941. The West should not gloat over Russia's current military weakness today. It might be the nadir from which that nation's armed forces can climb only one way -- up.

Ariel Cohen is Senior Policy Analyst at the Heritage Foundation in Washington, D.C. He is the author of *Russian Imperialism: Development and Crisis* (Praeger Publishers, 1996).

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